



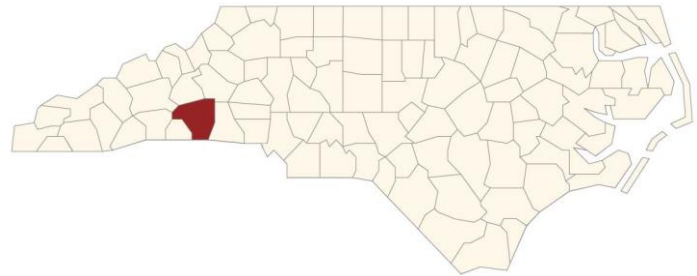
On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, Rutherford County

Rutherford County received more than \$78 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Rutherford County total.



Pell Grants Awards:
1,640



Small Business Jobs:
136

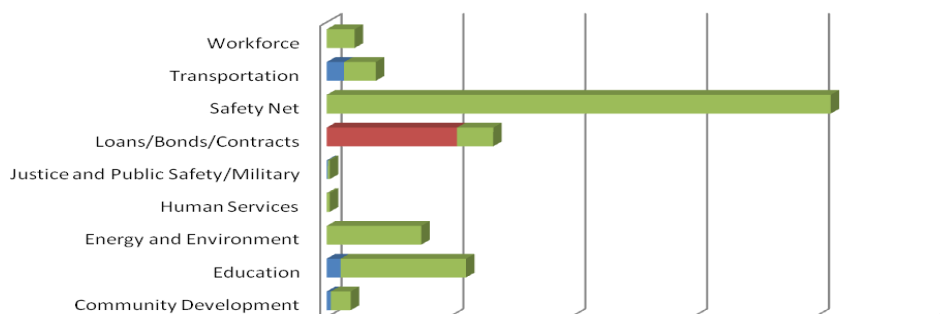


Appliances rebated:
113



Family homes financed:
45

Rutherford County Totals



Rutherford County,
pop 62,899 at a glance:

Recovery Act Totals:
Grants: \$ 68,087,242.46
Loans: \$ 10,699,601

Total: \$78,786,843.46



Education

The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

Rutherford County schools received \$13 million in education funding, including \$2.3 million in Special Education funds, \$1.8 million in Title I funds, \$5.5 million in SFSF funds, and \$1.2 million in Race to the Top funding.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In Rutherford County, Isothermal Community College had 1,640 students funded by Pell Grants; these grants were worth more than \$2 million.



Family Assistance

The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In Rutherford County, 45 families received assistance through this program totaling more than \$4.5 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North

Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

Rutherford County retailers sold 113 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In Rutherford County 11 small businesses received SBA loan guarantees worth \$6 million. According to the small businesses receiving these loans, the Recovery Act saved or created 116 jobs. Additionally, the USDA Business and Industry Program provided 2 loans to a small business, worth almost \$3 million dollars that saved or created 20 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In Rutherford County, \$113,477 was received in assistance to farmers because of crop loss to natural disasters.



CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

In Rutherford County, car dealers sold 36 cars worth almost \$750,000 through the ARRA CARS program.



Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

In Rutherford County, the Rutherford County Government and the Town of Forest City received JAG program awards worth a total of almost \$100,000.



Environment and Natural Resources Programs

ARRA funded several programs to protect the environment, or to develop natural resources more efficiently. These programs ranged from environmental clean-up, such as leaking underground storage tank abatement and Brownfields programs, to EPA clean air grants, wildfire prevention grants, and revolving funds to build, expand, or overhaul existing water and sewer programs. These programs provided nearly \$150 million across North Carolina.

In Rutherford County, the Town of Lake Lure, the Town of Spindale, and the Town of Rutherford College all received water and sewer grants worth more than \$3.3 million.



Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

In Rutherford County, the Rutherford County Government and the Town of Forest City received an EECBG grant of \$209,175 to install lighting improvements, and for room sensors, programmable thermostats, solar assisted hot water systems and other energy and water conservation measures at Rutherford County Schools for. Additionally, the Town of Forest Forest City received an SEP grant of \$227,781 for energy efficiency upgrades to seven downtown businesses.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

Rutherford County residents received more than \$32 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$5 million in SNAP benefit increases, and \$4 million in one-time payments of \$250 to social security recipients.

Rutherford County received more than \$100,000 for Head Start Programs.

Rutherford County Feature Story

Town of Lake Lure Uses Recovery Funds to Protect the Environment

The Recovery Act included \$7.22 billion for projects and programs administered by the USEPA. These programs were designed to protect and promote both “green” jobs and a healthier environment. Almost \$6 billion of this total fund was devoted to infrastructure programs to help communities with water quality and wastewater infrastructure needs, and to provide much needed work to contractors. The Clean Water State Revolving Fund program, in place since 1987, received \$4 billion, including funds for Water Quality Management Planning Grants. The Drinking Water State Revolving Fund program, in place since 1997, received \$2 billion.

States established priorities based on public health and environmental factors, in addition to readiness to proceed to construction, and identification of which high-impact projects received funding. The North Carolina Department of Environment and Natural Resources competitively awarded \$68,641,807 in sewer projects to 51 projects in 32 counties, and \$64,285,048 in drinking water projects to 65 projects in 41 counties.

The Town of Lake Lure, incorporated in 1927, located near Chimney Rock State Park, has long been a favorite vacation destination. It is most famous as a filming location for major motion pictures, including *Dirty Dancing*. It is also a common recreational area to visit for picnicking, water skiing, boating and fishing in the pristine waters of the lake.

The primary sewer line in Lake Lure ran underneath the lake, risking the environmental integrity of the lake in the case of a line failure. Lake water leaking into the pipe required the waste water plant to process more water than necessary.



The Town of Lake Lure made a successful application for ARRA-funded Clean Water State Revolving Fund grant. In August of 2009, the town received more than 2.5 million in funding for improvements to the sewer line.



The program included the wrapping and sealing of approximately 1,600 joints on the existing 32,000 feet long cast iron pipe located on the lake bed of Lake Lure. The existing pipe, at a depth 0 to 90 feet, and associated appurtenances was then used for the installation of a complete system within and up to the existing right-of-way. Sealing the pipe against lake water will make the waste water plant more efficient.

The Lake Lure sewer project employed an average of 42 jobs per quarter. The project is currently going through close-out and should be complete by November 2011.

Appendix, Rutherford County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$0.00	
	Cash for Clunkers		S		\$143,500.00		
	Federal Pell Grant Program	Isothermal Community College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$4,596,601.00	
Administration for Children and Families	ARRA - Child Care and Development Block Grant	Rutherford, County Of	S	\$0.00	\$87,737.45	\$0.00	
	ARRA - Early Head Start	George C Hipp Contracting LLC	PV	\$0.00		\$0.00	\$86,283.89
		Rutherford County Schools	P	\$476,843.00		\$0.00	\$476,843.00
	ARRA - Head Start	Rutherford County Schools	P	\$544,872.00		\$0.00	\$544,872.00
				\$118,601.00		\$0.00	\$118,601.00
		Thomas Built Buses, Inc.	PV	\$0.00		\$0.00	\$73,602.27
Administration on Aging	Aging Congregate Nutrition Services for States	Isothermal Planning & Development Commission	S	\$0.00	\$56,819.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Isothermal Planning & Development Commission	S	\$0.00	\$27,972.00	\$0.00	
	ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management Program	Isothermal Planning & Development Commission	S	\$0.00	\$25,480.00	\$0.00	
Centers for Disease Control and Prevention	ARRA - Immunization	Rutherford, County Of	S	\$0.00	\$52,547.00	\$0.00	
Department of Agriculture	Business and Industry Loans	Various	L		\$2,974,000.00		
	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$5,094,149.29		
Department of Energy	Energy Efficiency and Conservation	Rutherford, County Of	S	\$0.00	\$609,175.00	\$0.00	

	Block Grant Program (EECBG)						
	Weatherization Assistance for Low-Income Persons	Isothermal Planning & Development Commission	S	\$0.00	\$3,259,155.00	\$0.00	
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Rutherford County Dept Of Aging	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Rutherford County Dept Of Aging	SV	\$0.00	\$0.00	\$0.00	
Department of Housing and Urban Development	Homelessness Prevention and Rapid ReHousing Program	Isothermal Planning & Development Commission	S	\$0.00	\$1,200,000.00	\$0.00	
	Public Housing Capital Fund Formula (Recovery Act Funded)	Forest City Housing Authority	P	\$335,990.00		\$0.00	\$335,990.00
Department of Justice	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	Forest City, Town Of	P	\$25,945.00		\$0.00	\$25,945.00
		Horace G. Ilderton LLC	PV	\$0.00		\$0.00	\$61,739.20
		Rutherford, County Of	P	\$73,511.00		\$0.00	\$73,511.00
Department of Labor	Senior Community Service Employment Program	Isothermal Planning & Development Commission	S	\$0.00	\$69,408.00	\$0.00	
	Unemployment Insurance	Multiple Individuals	S		\$32,293,614.49		
Environmental Protection Agency	Capitalization Grants for Clean Water State Revolving Funds	Lake Lure, Town Of	S	\$0.00	\$2,559,588.00	\$0.00	
		Spindale, Town Of	S	\$0.00	\$791,941.00	\$0.00	
	Capitalization Grants for Drinking Water State Revolving Funds	Rutherford College, Town Of	S	\$0.00	\$155,142.00	\$0.00	
Federal Highway Administration	Highway Planning and Construction	North Carolina Department Of Transportation	P	\$633,052.00		\$0.00	\$633,052.00
				\$800,000.00		\$0.00	\$800,000.00

		TCB Builders, LLC	PV		\$0.00	\$0.00	\$308,334.41	
		Tennoca Construction, Inc	PV		\$0.00	\$0.00	\$593,280.39	
		Vaughn & Melton Consulting Engineers	PV		\$0.00	\$0.00	\$24,589.62	
Federal Transit Administration	Formula Grants for Other Than Urbanized Areas	Rutherford, County Of	S		\$0.00	\$241,698.00	\$0.00	
Food and Nutrition Service	Child Nutrition Discretionary Grants Limited Availability	Rutherford County Schools	S		\$0.00	\$35,901.26	\$0.00	
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P				\$0.00	\$13,932.75
National Energy Technology Laboratory	State Energy Program	Forest City, Town Of	S		\$0.00	\$227,781.00	\$0.00	
Office of Elementary and Secondary Education	Education for Homeless Children and Youth, Recovery Act	Rutherford County Schools	S		\$0.00	\$30,042.00	\$0.00	
	Education Technology State Grants, Recovery Act	Rutherford County Schools	S		\$0.00	\$49,055.00	\$0.00	
	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Isothermal Community College	S		\$0.00	\$438,687.97	\$0.00	
		Rutherford County Schools	S		\$0.00	\$4,671,963.00	\$0.00	
		Thomas Jefferson Classical Academy	S		\$0.00	\$545,700.00	\$0.00	
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Rutherford County Schools	S		\$0.00	\$1,296,874.00	\$0.00	
	Title I Grants to Local Educational Agencies, Recovery Act	Rutherford County Schools	S		\$0.00	\$1,852,328.00	\$0.00	
Office of Special Education and Rehabilitative Services	Special Education - Preschool Grants, Recovery Act	Rutherford County Schools	S		\$0.00	\$80,294.00	\$0.00	
	Special	Rutherford	S		\$0.00	\$2,031,756.08	\$0.00	

	Education Grants to States, Recovery Act	County Schools				
		Thomas Jefferson Classical Academy	S	\$0.00	\$191,369.92	\$0.00
Small Business Administration	Loans	Carolina Chiropractic Plus	L			\$779,000.00
		Dr. Gretchen Kelly And Dr. Bar	L			\$791,000.00
		Glenn C Bradshaw Jr	L			\$720,000.00
		Green River Forest Products & Services LLC	L			\$250,000.00
		Lake Lure Properties, LLC	L			\$5,000.00
		Marchetto Auto Services	L			\$40,000.00
		Sarah R. Merrison, Dc	L			\$70,000.00
		Thieman Metal Technologies	L			\$2,258,000.00
		Throne River Inc	L			\$430,000.00
		Wcs Enterprise, Inc.	L			\$760,000.00
SSA	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$3,984,750.00	
Grand Total				\$3,008,814.00	\$65,078,428.46	\$10,699,601.00
						\$4,170,576.53

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.